IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

FOREST LABORATORIES, INC., FOREST LABORATORIES HOLDINGS, LTD., MERZ PHARMA GMBH & CO. KGAA, and MERZ PHARMACEUTICALS GMBH,

Plaintiffs,

v.

C.A. No. 08-21 (GMS)

COBALT LABORATORIES INC., LUPIN PHARMACEUTICALS, INC., LUPIN LTD., ORCHID PHARMACEUTICALS INC., ORCHID CHEMICALS & PHARMACEUTICALS LTD. (d/b/a ORCHID) HEALTHCARE), TEVA PHARMACEUTICALS USA, INC., UPSHER-SMITH LABORATORIES, INC., WOCKHARDT USA INC., and WOCKHARDT LIMITED,

Defendants.

PLAINTIFFS' REPLY TO DEFENDANT COBALT LABORATORIES INC.'S COUNTERCLAIMS

Plaintiffs/Counterclaim Defendants Forest Laboratories, Inc. and Forest Laboratories Holdings, Ltd. (collectively "Forest") and Merz Pharma GmbH & Co. KGaA and Merz Pharmaceuticals GmbH (collectively "Merz"), for their Reply to the numbered paragraphs of the Counterclaims of Defendant/Counterclaimant Cobalt Laboratories Inc. ("Cobalt") (D.I. 47), hereby allege as follows:

The Parties

- Admitted, upon information and belief. 1.
- 2. Admitted.
- 3. Admitted.

- 4. Admitted.
- 5. Admitted.

Jurisdiction and Venue

- 6. Admitted.
- 7. Admitted.
- 8. Admitted.
- 9. Admitted.

Patent-In-Suit

- 10. Admitted.
- 11. Admitted.
- 12. Admitted.

Reply to Count I (Declaration of Non-Infringement of the '703 Patent)

- 13. Plaintiffs/Counterclaim Defendants restate and incorporate by reference their responses to the allegations contained in Counterclaim Paragraphs 1-12 as though set forth specifically herein.
 - 14. Admitted.
 - 15. Denied.
 - 16. Denied.

Reply to Count II (Declaration of Invalidity of the '703 Patent)

17. Plaintiffs/Counterclaim Defendants restate and incorporate by reference their responses to the allegations contained in Counterclaim Paragraphs 1-16 as though set forth specifically herein.

- 18. Admitted.
- 19. Denied.
- Denied. 20.

Reply to Count III (Declaration of Unenforceability of the '703 Patent)

- 21. Plaintiffs/Counterclaim Defendants restate and incorporate by reference their responses to the allegations contained in Counterclaim Paragraphs 1-20 as though set forth specifically herein.
 - 22. Admitted.
- Denied. Cobalt fails to state a cause of action upon which relief can be 23. granted pursuant to Rule 9, Fed. R. Civ. P.
- Denied. Cobalt fails to state a cause of action upon which relief can be 24. granted pursuant to Rule 9, Fed. R. Civ. P.

Reply to Cobalt's Prayer for Relief

Wherefore, Plaintiffs/Counterclaim Defendants deny that Cobalt is entitled to any relief, either as prayed for in its Counterclaims or otherwise.

Plaintiffs/Counterclaim Defendants further deny each allegation contained in Cobalt's Counterclaims that was not specifically admitted, denied, or otherwise responded to in this Reply to Defendant/Counterclaimant Cobalt Laboratories Inc.'s Counterclaims.

Reply to Jury Demand

Plaintiffs/Counterclaim Defendants deny that Cobalt has a right to a trial by jury with respect to any claims, defenses or counterclaims.

Morris, Nichols, Arsht & Tunnell Llp

Filed 03/26/2008

Jack B. Blumenfeld (#1014)
Maryellen Noreika (#3208)
1201 North Market Street
P.O. Box 1347
Wilmington, DE 19899-1347
(302) 658-9200
jblumenfeld@mnat.com
mnoreika@mnat.com

Attorneys for Plaintiffs

Of Counsel:

John Desmarais Gerald J. Flattmann, Jr. Melanie R. Rupert KIRKLAND & ELLIS LLP Citigroup Center 153 East 53rd Street New York, NY 10022 (212) 446-4800

F. Dominic Cerrito
Daniel L. Malone
Eric C. Stops
JONES DAY
222 East 41st Street
New York, NY 10017
(212) 326-3939

March 26, 2008

CERTIFICATE OF SERVICE

I hereby certify that on March 26, 2008 I electronically filed the foregoing with the Clerk of the Court using CM/ECF, which will send notification of such filing to:.

> Mary B. Matterer, Esquire MORRIS JAMES LLP

Kelly E. Farnan, Esquire RICHARDS, LAYTON & FINGER, P.A.

Frederick L. Cottrell, III, Esquire Anne Shea Gaza, Esquire RICHARDS, LAYTON & FINGER, P.A.

Richard L. Horwitz, Esquire David E. Moore, Esquire POTTER ANDERSON & CORROON LLP

Richard D. Kirk, Esquire Ashley B. Stitzer, Esquire BAYARD, P.A.

I further certify that I caused to be served copies of the foregoing document on

March 26, 2008 upon the following in the manner indicated:

Mary B. Matterer, Esquire MORRIS JAMES LLP 500 Delaware Avenue Suite 1500 Wilmington, DE 19801 Counsel for Cobalt Laboratories Inc. VIA ELECTRONIC MAIL and HAND DELIVERY

William A. Rakoczy, Esquire Paul J. Molino, Esquire Deanne M. Mazzochi, Esquire Neil A. Benchell, Esquire John Polivick, Esquire RAKOCZY MOLINO MAZZOCHI SIWIK LLP 6 West Hubbard Street Suite 500 Chicago, IL 60610 Counsel for Cobalt Laboratories Inc.

VIA ELECTRONIC MAIL

Kelly E. Farnan, Esquire

RICHARDS, LAYTON & FINGER, P.A.

One Rodney Square

920 North King Street

Wilmington, DE 19801

Counsel for Wockhardt USA Inc. and

Wockhardt Limited

Michael Dzwonczyk, Esquire

Mark Boland, Esquire

Chid Iyer, Esquire

SUGHRUE MION, PLLC

2100 Pennsylvania Avenue, N.W.

Washington, DC 23307

Counsel for Wockhardt USA Inc. and

Wockhardt Limited

Frederick L. Cottrell, III, Esquire

Anne Shea Gaza, Esquire

RICHARDS, LAYTON & FINGER, P.A.

One Rodney Square

920 North King Street

Wilmington, DE 19801

Counsel for Upsher-Smith Laboratories Inc.

Richard L. Horwitz, Esquire

David E. Moore, Esquire

POTTER ANDERSON & CORROON LLP

1313 North Market Street – 6th Floor

Wilmington, DE 19801

Counsel for Orchid Pharmaceuticals Inc. and

Orchid Chemicals & Pharmaceuticals Ltd

(d/b/a Orchid Healthcare)

Kenneth G. Schuler, Esquire

LATHAM & WATKINS LLP

Sears Tower - Suite 5800 233 South Wacker Drive

Chicago, IL 60606

Counsel for Orchid Pharmaceuticals Inc. and

Orchid Chemicals & Pharmaceuticals Ltd

(d/b/a Orchid Healthcare)

VIA ELECTRONIC MAIL and HAND DELIVERY

VIA ELECTRONIC MAIL

VIA ELECTRONIC MAIL and HAND DELIVERY

VIA ELECTRONIC MAIL

Terrence J. Connolly, Esquire LATHAM & WATKINS LLP 885 Third Avenue – Suite 1000 New York, NY 10022-4834 Counsel for Orchid Pharmaceuticals Inc. and Orchid Chemicals & Pharmaceuticals Ltd (d/b/a Orchid Healthcare)

VIA ELECTRONIC MAIL

Darryl H. Steensma, Esquire LATHAM & WATKINS LLP 12636 High Bluff Drive – Suite 300 San Diego, CA 92130 Counsel for Orchid Pharmaceuticals Inc. and Orchid Chemicals & Pharmaceuticals Ltd (d/b/a Orchid Healthcare)

VIA ELECTRONIC MAIL

Richard D. Kirk, Esquire Ashley B. Stitzer, Esquire BAYARD, P.A. 222 Delaware Avenue Suite 900 Wilmington, DE 19801 Counsel for Lupin Pharmaceuticals USA, Inc. and Lupin, Ltd.

VIA ELECTRONIC MAIL and HAND DELIVERY

Douglass C. Hochstetler, Esquire D. Christopher Ohly, Esquire Sailesh K. Patel, Esquire SCHIFF HARDIN LLP 6600 Sears Tower Chicago, IL 60606 Counsel for Lupin Pharmaceuticals USA, Inc. and Lupin, Ltd.

VIA ELECTRONIC MAIL